

**NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL  
COMMISSION MINUTES  
AUGUST 12, 2015**

The following narrative and summary describes the North Carolina Alcoholic Beverage Control Commission meeting held at 400 East Tryon Road, Raleigh, North Carolina on August 12, 2015, beginning at 10:00 AM. Due to technical difficulties, the meeting was partially recorded and the disc is on file at the NC ABC Commission in the Legal Division.

**ROLL CALL**

Chairman James C. Gardner and Commissioners Joel L. Keith and Kevin M. Green were present. Chairman Gardner called the meeting to order.

**MINUTES OF JULY 15, 2015**

Chairman Gardner asked for a motion to waive the reading of the minutes of the July 15, 2015 meeting into the record. Commissioner Green made a motion to waive the reading of the minutes. Commissioner Keith seconded the motion. Motion Passed. Chairman Gardner asked for a motion to approve the minutes of the July 15, 2015 meeting. Commissioner Keith made a motion to approve the minutes. Commissioner Green seconded the motion. Motion Passed.

**CONFLICTS OF INTEREST**

As required by N.C.G.S. § 138A-35, Chairman Gardner asked if there were any conflicts of interest or any conditions or facts which might create the appearance of a conflict of interest with respect to any matters on the agenda. Commissioner Keith stated he found no conflicts of interest. Commissioner Green stated he found no conflicts of interest. Chairman Gardner found no conflicts of interest.

**I. HEARING CASES – 46**

Chief Counsel K. Renee Cowick stated Jesse Clayton was present on behalf of hearing case number 10, Jac's Grill. Ms. Cowick stated the matter was Assistant Counsel LoRita Pinnix's case and Ms. Pinnix was firm in the decision regarding the penalty.

Mr. Clayton stated he was present to ask the Commission for consideration of a reduction of penalty. Mr. Clayton stated this violation was the first in almost ten years in business.

Chairman Gardner asked Mr. Clayton to explain what occurred during the time of the violation. Mr. Clayton stated the business was closing and the two bartenders present were leaving through the back door. Mr. Clayton stated he returned to the front and poured and consumed a glass of wine. His actions were witnessed by an ALE agent who was present at the front of the business. Mr. Clayton did not deny the violation occurred.

Chairman Gardner stated the rules and regulations must be observed and he appreciated Mr. Clayton attending the meeting. However, the penalty must stand as defined in the Offer in Compromise.

Ms. Cowick stated no one else was present regarding a hearing case.

Commissioner Keith made a motion to ratify the remaining offers in compromise. Commissioner Green seconded the motion. Motion Passed.

**II. EXEMPTION REQUEST – N.C.G.S. § 18B-1116(b) – WINE AND DINING, INC. T/A ON THE SQUARE; TARBORO BREWING COMPANY**

Ms. Cowick stated attorney Laura Collier was present on behalf of her clients. Ms. Collier explained Inez Ribustello and Stephen Ribustello each own 25% of On the Square, a retail business which holds ABC permits. They each also own 8.33% of Tarboro Brewing. Tarboro Brewing does not currently hold ABC Permits, but will seek commercial permits in the future.

The exemption request is to allow the concurrent ownership of On the Square and Tarboro Brewing which will hold both commercial and retail ABC permits. Tarboro Brewing products will not be sold at On the Square.

Commissioner Green made a motion to grant the exemption based upon the defined conditions. Commissioner Keith seconded the motion. Motion Passed.

**III. EXEMPTION REQUEST – N.C.G.S. § 18B-1116(b) – SEVEN JARS PRODUCTS, LLC; SEVEN JARS DISTILLERY, LLC AND RATCLIFFE GOLF SERVICES, INC.**

Ms. Cowick stated attorney Hardy Lewis was present on behalf of his clients. Mr. Lewis stated his client, Frank (Dell) Ratcliffe owns 100% of Ratcliffe Golf Services, Inc. which serves as a golf course management company for five public golf courses. All the golf courses hold Malt Beverage On Premise ABC permits and one also holds an Unfortified Wine on Premise ABC permit. Mr. Lewis stated Mr. Ratcliffe also owns 24.5% of both Seven Jars Products and Seven Jars Distillery. His sister, Velda Ratcliffe, owns the controlling interest and is the managing member of both companies.

Mr. Lewis stated neither of the two businesses holds ABC permits as they are still in the development stage. Seven Jars Products intends to operate as a small winery and craft brewery selling winemaking and beer making kits at retail. The quantities of wine produced will be small, only 1-6 gallon batches. They do not expect to sell beer in the retail tier in the near future.

Mr. Lewis asked for an exemption to allow cross-ownership and stated any products would be sold through a wholesaler to retail establishments. Ms. Cowick stated if necessary in the future, an addendum to the exemption would be requested beyond the cross-ownership exemption.

Commissioner Keith made a motion to grant the exemption based upon the defined conditions. Commissioner Green seconded the motion. Motion Passed.

**IV. MANDATORY RULES REVIEW – INITIAL CLASSIFICATION OF 04 NCAC 02S**

Ms. Cowick asked the Commission to approve sending the report regarding 04 NCAC Subchapter 02S to the Office of Administrative Hearings.

Commissioner Green made a motion to forward the reports based upon staff recommendation. Commissioner Keith seconded the motion. Motion Passed.

**V. OTHER BUSINESS**

Administrator Robert A. Hamilton asked the Commission to consider Wednesday, October 14, 2015, Wednesday, November 18, 2015 and Wednesday, December 16, 2015 for future ABC Commission meetings. Mr. Hamilton also asked the Commission to schedule a Special Meeting on Thursday, September 24, 2015 at 10:00 am to consider the rules being formulated allowing distilleries to sell one bottle of their product to consumers at retail.

Commissioner Green made a motion to schedule the meetings. Commissioner Keith seconded the motion. Motion Passed.

Chairman Gardner announced the next regular NC ABC Commission meeting will be held on Wednesday, September 9, 2015. Additionally, a Special Meeting is scheduled for Thursday, August 27, 2015 at 10:00 am regarding antique spirituous liquors.

Commissioner Keith made a motion to adjourn. Commissioner Green seconded the motion. With no further business, the meeting adjourned.

---

James C. Gardner, Chairman  
N.C. Alcoholic Beverage Control Commission

Respectfully submitted by,

---

Caroline Y. Washburn for the Legal Division